

Business Essentials for State Taxpayers (B.E.S.T.)

Operating a Business in Alabama: Withholding Taxes

Rev. 08/26/2021



1



B.E.S.T. Webinar Series Housekeeping Reminders



Everyone's lines are muted when entering the meeting. This is to prevent background noises from interrupting the presentation. Only the host is able to unmute someone.

Layout

Click on the Layout button to set your preferred viewing option.



If you would like to ask a question about the presentation, please use the Q&A box to send a question to the presenter or a panelist. They will respond to your question(s) either during the presentation or at the end of the presentation.



At the end of the meeting, there will be a survey with (9) evaluation questions about the presentation. Your feedback is important to us, so please complete the survey after the webinar.

2

The information in this presentation is intended to be an overview. It is not a comprehensive explanation of all aspects of the subject matter, does not represent legal advice, and is not legally binding on the Department. Information regarding taxes and tax administration changes frequently and should always be confirmed through a tax professional.

Please refer to the Alabama Department of Revenue website at revenue.alabama.gov for additional information.

Purpose of this Webinar:

To inform Alabama business taxpayers of :

- Who is required to withhold Alabama Income Tax
- How to determine whether a person is an employee or an independent contractor
- Federal and State Withholding Exemption Taxes
- How to report Federal and State Withholding and related forms
- Other Payroll-Related Taxes
- Helpful links on ALDOR's website

Who is Required to Withhold Alabama Income Tax?

- Employers with employees working in the State of Alabama who are not independent contractors.
- Alabama employers, with **Alabama residents** working outside the State of Alabama, will need to withhold Alabama income tax on those residents unless they are withholding tax for the state in which the employee is working.
- Employers, who are residents of Alabama, are required to withhold taxes from wages of their employees who are not residents of Alabama only to the extent that the wages are **earned in Alabama**.
- **Nonresident employers** are required to withhold Alabama income tax on wages **earned in Alabama**.

How to Determine Whether a Person is an Employee or an Independent Contractor

Employee vs. Independent Contractor

- Alabama uses the Federal classification determination to define the relationship between a business and an employee or an independent contractor. *(See Federal Form SS-8 - Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding.)*
- An employee cannot claim to be an independent contractor for Alabama purposes and therefore exempt from Alabama withholding tax, unless he has met the Federal guidelines for being an independent contractor.
- Refer to IRS Publication 15-A, *Employer's Supplemental Tax Guide* at <https://www.irs.gov/>.

Employee vs. Independent Contractor Three Common Law Factors

Employee	Independent Contractor
<input type="checkbox"/> Behavioral Control	<input type="checkbox"/> Behavioral Control
✓ Controls when, where, and how the work is done	✓ Plan their own hours
✓ Training	✓ Qualified
<input type="checkbox"/> Financial Control	<input type="checkbox"/> Financial Control
✓ No profit motive	✓ Profit motive
✓ Paid wages by the hour, week or month	✓ Paid a predetermined amount
<input type="checkbox"/> Relationship	<input type="checkbox"/> Relationship
✓ Employee type benefits	✓ Will have a written contract

Employee vs. Independent Contractor

Employee:	Independent Contractor:
• Does not control how, when, or where he/she works	• Controls every aspect of how, when, and where the work will be done
• Day-to-day work is important to the business	• Not important for daily company workflow
• Uses company resources	• Uses own resources to get job completed
• Employee receives a Form W-2 from employer	• An independent contractor receives Form 1099 for services rendered

Employee vs. Independent Contractor Examples

Employee	Independent Contractor
Dance instructors working in a health club, where the club sets hours of work, the routines to be taught and pays the instructors from fees collected by the club are examples of employees.	Dance instructors, who select their own dance routines to teach, locate and rent their own facilities, provide their own sound systems, music and clothing, collect fees directly from customers, and are free to hire assistants are examples of independent contractors.
A repairperson working in a shop where the shop owner sets the prices, the hours and days the shop is open, and the repairperson is paid an hourly wage for the work done.	A repairperson who owns or rents a shop, advertises the services to the public, furnishes all of the tools, equipment, and supplies necessary to make repairs.

Federal and State Withholding Exemption Taxes

Federal Form W-4

- Each employee must complete Form W-4 (Employee's Withholding Certificate) for Federal withholding.
- Employers must retain a copy of the W-4s for a minimum of 4 years after the date the last tax return was submitted using the information on the W-4s.
- See IRS Publication 15, *Employer's Tax Guide*, at <https://www.irs.gov/> for instructions.

Federal Form W-4

Form W-4
(Rev. December 2020)
Department of the Treasury
Internal Revenue Service

Employee's Withholding Certificate

OMB No. 1545-0074
2021

▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
▶ Give Form W-4 to your employer.
▶ Your withholding is subject to review by the IRS.

Step 1: Enter Personal Information

(a) First name and middle initial Last name
Address
City or town, state, and ZIP code

(b) Social security number
▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1273 or go to www.ssa.gov.

(c) ☐ Single or Married filing separately
☐ Married filing jointly or Qualifying widow(er)
☐ Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the estimator at www.irs.gov/W4App, and privacy.

Step 2: Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.
Do **only one** of the following:
(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or
(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or
(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld. ☐
TIP: To be accurate, submit a 2021 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependents

If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):
Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$
Multiply the number of other dependents by \$500 ▶ \$
Add the amounts above and enter the total here 3 \$

Step 4

(a) Other income (not from jobs). If you want tax withheld for other income you expect

Alabama Form A4

- Each employee must complete Form A4. (Form W-4 for Federal withholding cannot be substituted.)
- Employer must withhold using zero exemptions, when Form A4 is not filed.
- Employers must retain a copy of the A4s for a minimum of 3 years after the date the last tax return was submitted using the information on the A4s..
- If an employee claims 8 or more exemptions, the employer sends a copy of the Form A4 to ADOR's Withholding Tax Section.

Form A4 – Employee Withholding Tax Exemption Certificate

FORM A4
Employee's Withholding Tax Exemption Certificate

ALABAMA DEPARTMENT OF REVENUE
50 North Ripley Street • Montgomery, AL 36104 • InfoLine (204) 242-1300
www.revenue.alabama.gov

Every employee, on or before the date of commencement of employment, shall furnish his or her employer with a signed Alabama withholding exemption certificate relating to the number of withholding exemptions which he or she claims, which in no event shall exceed the number to which the employee is entitled. In the event the employee inflates the number of exemptions allowed by the Chapter on Form A4, the employee shall pay a penalty of five hundred dollars (\$500) for each action pursuant to Section 65-29-75.

Part I – To be completed by the employee

EMPLOYEE NAME: _____
FIRST ADDRESS: _____ CITY: _____ STATE: _____ ZIP CODE: _____

HOW TO CLAIM YOUR WITHHOLDING EXEMPTIONS

1. If you claim no personal exemption for yourself and wish to withhold at the highest rate, write the figure "0", sign and date Form A4 and file it with your employer.
2. If you are SINGLE or MARIED FILING SEPARATELY, a \$1,000 personal exemption is allowed. Write the letter "1" if claiming the SINGLE exemption or "M" if claiming the MARIED FILING SEPARATELY exemption.
3. If you are MARIED or SINGLE CLAIMING HEAD-OF-FAMILY, a \$3,000 personal exemption is allowed. Write the letter "H" if you are claiming an exemption for both yourself and your spouse or "H" if you are single with qualifying dependents and are claiming the HEAD-OF-FAMILY exemption.
4. Number of dependents (other than yourself) that you provide more than one-half of the support for during the year. See dependent qualifications below.
5. Additional amount, if any you want deducted each pay period.
6. This line is to be completed by your employer. Your exemption exemption claims "M" on the 3 and "H" on line 4. Employer should use column M-2 (married with 2 dependents) in the withholding tables.

Under penalties of perjury, I certify that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee's Signature: _____ Date: _____

Part II – To be completed by the employer

EMPLOYER NAME: _____ CITY: _____ STATE: _____ ZIP CODE: _____

Employers are required to keep this certificate on file. If the employee is believed to have claimed more exemption than legally entitled or claims 8 or more dependent exemptions, the employer should contact the Department at the following address or phone number for verification: Alabama Department of Revenue, Withholding Tax Section, P.O. Box 227485, Montgomery, AL 36102-7485, by phone at (204) 242-1300, or by fax at (204) 242-6112. If the employee does not qualify for the exemptions claimed upon verification, the employer is required to withhold at the highest rate until the employee submits a corrected Form A4 reflecting the proper exemption they are entitled to claim.

DEPENDENTS: To qualify as your dependent (line 4 above), a person must receive more than one-half of his or her support from you for the year and must be related to you as follows:
 Your son or daughter (including legally adopted children), grandchild, stepson, stepdaughter, son-in-law, or daughter-in-law;
 Your father, mother, grandparent, stepfather, stepmother, father-in-law, or mother-in-law;
 Your brother, sister, stepbrother, stepsister, half-brother, half-sister, brother-in-law, or sister-in-law;
 Your uncle, aunt, nephew, or niece (but only if related by blood).

THIS FORM MAY BE REPRODUCED

Nonresident Military Spouse Withholding Tax Exemption (Form A4-MS)

- Public Law 111-97: Military Spouses Residency Relief Act provides that spousal income **is not** subject to Alabama withholding **if** the spouse is in the jurisdiction solely to be with the service member serving in compliance with military orders.
- To qualify for the tax exemption, the answer to all 7 conditions on the A4-MS **MUST** be **TRUE**.

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17

Form A4-MS

FORM A4-MS
ALABAMA DEPARTMENT OF REVENUE
50 North Ripley Street • Montgomery, AL 36104 • Toll-Free (334) 242-1300
www.revenue.alabama.gov

Nonresident Military Spouse
Withholding Tax Exemption Certificate

Form A4-MS is to be used only for employees claiming exemption from Alabama's income tax withholding requirements based on the conditions set forth under the Military Spouses Residency Relief Act (PL 111-97).

Part I – To be completed by the employee

EMPLOYEE'S NAME: _____ EMPLOYEE'S SOCIAL SECURITY NUMBER: _____

ADDRESS WHERE CURRENTLY RESIDING: _____ CITY: _____ STATE: _____ ZIP CODE: _____

In order to qualify for this exemption, the employee must be able to answer True to all of the following conditions. If not, they will not qualify to use this form and will need to complete the Form A4 instead.

1. My Spouse is an active duty military servicemember	<input type="checkbox"/> True	<input type="checkbox"/> False
2. I am not a military servicemember	<input type="checkbox"/> True	<input type="checkbox"/> False
3. My Spouse's current military orders assign him/her to a location in/near Alabama	<input type="checkbox"/> True	<input type="checkbox"/> False
4. I am present in/near Alabama solely to be with my servicemember Spouse	<input type="checkbox"/> True	<input type="checkbox"/> False
5. I and my military servicemember Spouse live at the same address	<input type="checkbox"/> True	<input type="checkbox"/> False
6. My domicile is a state other than Alabama	<input type="checkbox"/> True	<input type="checkbox"/> False
7. My military servicemember Spouse's domicile is the same as mine	<input type="checkbox"/> True	<input type="checkbox"/> False

If you answered True to all of the above conditions, your wages are exempt from Alabama withholding tax.

Under penalties of perjury, I certify that I am not subject to Alabama withholding tax because I meet the conditions set forth under the Military Spouses Residency Relief Act (PL 111-97) and that I understand that my state of residency may tax the income I earn in Alabama.

EMPLOYER'S SIGNATURE: _____ DATE: _____

Part II – To be completed by the employer

EMPLOYER'S NAME: _____ EMPLOYER'S IDENTIFICATION NUMBER (EIN): _____

ADDRESS: _____ CITY: _____ STATE: _____ ZIP CODE: _____

Employers are required to obtain from the employee a clear photocopy of their current military spouse ID, Form DD 2058 reflecting the servicemember's state of legal residence, and a recent Leave and Earnings Statement. Employers must keep Form A4-MS with the employee's personnel records. If the employer believes the employee has improperly claimed exemption under the MSRRRA, the employer should contact the Department at the following address or phone number: Alabama Department of Revenue, Withholding Tax Section, P.O. Box 327480, Montgomery, AL 36132-7480, by phone at (334) 242-1900, or by fax at (334) 242-0112.

THIS FORM MAY BE REPRODUCED

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18

How to Report Federal Withholding and Related Forms

Federal Withholding

- Withheld from employee's paycheck
- Amount withheld is based on employee's W-4
- Usually paid by making deposits through EFT (EFTPS.gov)
- File Form 941 quarterly
- See IRS Publication 15 at <https://www.irs.gov/> for instructions.

Form W-2 vs. Form 1099

- Businesses that have employees file the Form W-2
- Businesses that use independent contractors must file Form 1099-NEC
- Business that have both employees and independent contractors must file Form W-2 and Form 1099-NEC

Form W-2 –Wage and Tax Statement

Every employer engaged in a trade or business, who pays remuneration, including noncash payments of \$600 or more for the year for services performed by an employee, must file a Form W-2 for each employee (even if the employee is related to the employer) from whom:

- Income, Social Security, or Medicare tax was withheld.
- Income tax would have been withheld if the employee had claimed no more than one withholding allowance or had not claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Form W-2

2222		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a	
		13 Statutory employee Retirement plan Third-party sick pay		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2021

Department of the Treasury—Internal Revenue Service

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23

W-3 Transmittal of Wage and Tax Statements

- Anyone required to file Form W-2 must file Form W-3 to transmit Copy A of Forms W-2.
- A copy of Form W-3 along with copy D of Form W-2 must be kept for a minimum of 4 years.
- W-3 along with the W-2s must be filed with Social Security Administration by January 31st.

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24

Form W-3

33333		Control number		For Official Use Only OMB No. 1545-0008	
b Kind of Payer (Check one)		c Kind of Employer (Check one)		Third-party sick pay (Check if applicable)	
<input type="checkbox"/> 941 Military <input type="checkbox"/> 942 Hosp. etc. <input type="checkbox"/> 943 Medicare govt. emp. <input type="checkbox"/> 944 None apply		<input type="checkbox"/> 501c non-govt. <input type="checkbox"/> State/local non-501c <input type="checkbox"/> State/local 501c <input type="checkbox"/> Federal govt.		<input type="checkbox"/>	
d Total number of Forms W-2		e Establishment number		1 Wages, tips, other compensation	
f Employer's name		g Employer's address and ZIP code		2 Federal income tax withheld	
h Other EIN used this year		i State		3 Social security wages	
j Employer's state ID number		k State wages, tips, etc.		4 Social security tax withheld	
l State wages, tips, etc.		m State income tax		5 Medicare wages and tips	
n Employer's contact person		o Employer's tax number		6 Medicare tax withheld	
p Employer's telephone number		q Employer's email address		7 Social security tips	
r For third-party sick pay use only		s For official use only		8 Allocated tips	
t Income tax withheld by payer of third-party sick pay		u Local wages, tips, etc.		9	
v Local income tax		w Local income tax		10 Dependent care benefits	
x Nonqualified plans		y Deferred compensation		11	
z		aa		12a	
ab		ac		12b	

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature _____ Title _____ Date _____

Form **W-3 Transmittal of Wage and Tax Statements** 2021

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA). Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA. Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

Department of the Treasury
Internal Revenue Service

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Form 1099-NEC

Federal Form 1099-NEC (Non-Employee Compensation) is used to report amounts paid to non-employees such as independent contractors and other businesses to whom payments are made.

Specific instructions for filing Form 1099-NEC (Non-Employee Compensation) for each person to whom you have paid at least \$600 during the previous year for:

- Services performed by someone who is not your employee (including parts and materials).
- Payments to an attorney.

Instructions for filing Form 1099-NEC are available on the IRS website,

<https://www.irs.gov/>.

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Form 1099-NEC

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 2021 Form 1099-NEC	Nonemployee Compensation
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$	
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	
Street address (including apt. no.)		3	
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld \$	
Account number (see instructions)		5 State tax withheld \$	6 State/Payer's state no.
		7 State income \$	

Form **1099-NEC** www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

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27

Form 1096 – Annual Summary and Transmittal of U.S. Information Returns

- Form 1096 is a summary form used to transmit paper Form 1099s (and other informational returns).
- This form is provided for informational purposes only; it is not a tax form.
- Must mark in Section 6 only one box indicating type of form being filed. Do not mark multiple boxes.
- Form 1096 filed with Form 1099-NEC must be filed by January 31st.

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28

Form 1096

Do Not Staple 5969

Form 1096 Annual Summary and Transmittal of U.S. Information Returns **2021**

Department of the Treasury
Internal Revenue Service

FILER'S name

Street address (including room or suite number)

City or town, state or province, country, and ZIP or foreign postal code

Name of person to contact Telephone number

Email address Fax number

For Official Use Only

1 Employer identification number 2 Social security number 3 Total number of forms 4 Federal income tax withheld \$ 5 Total amount reported with this Form 1096 \$

6 Enter an "X" in only one box below to indicate the type of form being filed

W-2	1097-ATC	1098	1098-C	1098-E	1098-F	1098-G	1098-H	1098-I	1098-J	1098-K	1098-L	1098-M	1098-N	1098-O	1098-P	1098-Q	1098-R	1098-S	1098-T	1098-U	1098-V	1098-W	1098-X	1098-Y	1098-Z
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-LTC	1099-MISC	1099-NET	1099-ORD	1099-PR	1099-RE	1099-RO	1099-SA	1099-SB	1099-SC	1099-SD	1099-SE	1099-SI	1099-SJ	1099-SK	1099-SL	1099-SM	1099-SN	1099-SO	1099-SR	1099-ST	1099-SU	1099-SV	1099-SW	1099-SX	1099-SY
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.
Send this form, with the copies of the form checked in box 6, to the IRS in a flat mailer (not folded).

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature Title Date

Instructions

Future developments. For the latest information about developments related to Form 1096, such as legislation enacted after it was published, go to www.irs.gov/Form1096.

Reminder. The only acceptable method of electronically filing

Enter the filer's name, address (including room, suite, or other unit number), and taxpayer identification number (TIN) in the spaces provided on the form. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1097, 1098, 1099, 3921, 3922, 5498, or W-2G.

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29

Internal Revenue Service

- www.irs.gov/
- IRS Forms: 1-800-829-3676
- IRS Assistance: 1-800-829-1040
- FEIN: Submit Federal Form SS4 by mail or fax or go to www.irs.gov/ and search for EIN online

IRS

Help | News | Language

Charities & Nonprofits Tax Prep

File Pay Refunds Credits & Deductions Forms & Instructions

Pay Your Tax Bill

Get Your Tax Record

Get Your Refund Status

Apply for an Employer ID Number (EIN)

Prepare Tax ID Number (PTIN)

Get Answers to Tax Questions

Individual Taxpayer ID Number (ITIN)

Apply for a Payment Plan

Forms & Instructions

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30

How to Report State Withholding and Related Forms

31

State Withholding Tax Forms

Form	Filing Frequency	Due Date	Additional Information
A-6	Monthly...if employer withholds more than \$1,000 in the 1 st or 2 nd month of the quarter	On or before the 15 th of the month following the end of the month being filed (e.g., Form A-6 for the month of January is due on or before February 15 th)	<ul style="list-style-type: none"> First Return – New employers must apply for withholding tax account on My Alabama Taxes Final Return – When an employer ceases to withhold Alabama Income Tax, place a “X” on Line 1 of A-6 form.
A-1	Quarterly...if employer withholds less than \$1,000 a month	On or before the last day of the month following the end of the quarter being filed (e.g., <i>Quarter ending March 31st is due on or before April 30th</i>)	
A-3	Annually	Due on or before January 31 st	<ul style="list-style-type: none"> W-2s must be filed with A-3 Filing must include Federal 1099 or 1096 Must file electronically <i>if</i> returns & payments were filed & paid electronically Must file electronically if the A-3 includes 25 or more W-2s or 1099s

32

Filing State Withholding on MAT

- Register for a withholding account at My Alabama Taxes (MAT) at <https://myalabamataxes.alabama.gov/>.
- Once you have been issued an account number, a sign on ID and an access code, return to MAT to register.
- Once registered, logon to MAT to file state withholding taxes.

Form A-3 – Alabama Annual Reconciliation of Alabama Income Tax Withheld

Employers must submit copies of Form W-2 to the Department using the Alabama Reconciliation Form A-3

Form A-3

Reset Form

FORM A-3 STATE OF ALABAMA
ANNUAL RECONCILIATION OF ALABAMA
INCOME TAX WITHHELD

YEAR

NUMBER OF EMPLOYEE WAGE STATEMENTS AND/OR
INFORMATION RETURNS TRANSMITTED WITH THIS FORM

ALABAMA WITHHOLDING TAX ACCOUNT NUMBER DATE DUE

NAME AND ADDRESS

SIGNATURE DATE

NOTE: DO NOT send without W-2's. A-3 received without W-2's WILL BE RETURNED.

	COL 1 - TAX WITHHELD	COL 2 - TAX REMITTED
JANUARY	\$	\$
FEBRUARY	\$	\$
MARCH (1st QTR)	\$	\$
APRIL	\$	\$
MAY	\$	\$
JUNE (2nd QTR)	\$	\$
JULY	\$	\$
AUGUST	\$	\$
SEPTEMBER (3rd QTR)	\$	\$
OCTOBER	\$	\$
NOVEMBER	\$	\$
DECEMBER (4th QTR)	\$	\$
1 TOTAL TAX REMITTED (COL 2)	\$	\$
2 TOTAL ALABAMA INCOME TAX WITHHELD AS SHOWN ON FORMS W-2 AND/OR 1099	\$	\$
3 ADDITIONAL TAX DUE ENCLOSED REMITTANCE	\$	\$
4 OVERPAYMENT REFUND <input type="checkbox"/> CREDIT <input type="checkbox"/>	\$	\$
4 OVERPAYMENTS LESS THAN \$100.00 WILL BE ISSUED A CREDIT	\$	\$

- Due on or before the last day of January following the end of year being filed.
- Requires employers submitting 25 or more W-2's or who have filed and paid electronically during the year, to electronically submit both Form A-3 and W-2's online.
- A-3 received without W-2's will be returned.

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35

How to File State 1099s

- 1099s with no Alabama income tax withheld are filed using copies the Federal 1099s along with a copy of the Federal 1096 Annual Summary and Transmittal of U.S. Information Return. They are due by March 15th and should be mailed to:

Alabama Department of Revenue
P.O. Box 327489
Montgomery, AL 36132-7489

- 1099s with Alabama income tax withheld are reported on Form A-3 along with any W-2s.

ALABAMA
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36

Other Payroll-Related Taxes

37

Other Payroll-Related Taxes Not Administered by ALDOR

<u>FEDERAL</u> <i>See IRS Publication 15 at www.irs.gov</i>	<u>STATE</u> <i>See labor.alabama.gov</i>	<u>MUNICIPALITY / COUNTY</u> <i>See www.AtlasAlabama.gov for local government websites</i>
Form W-9 (<i>Request for Taxpayer Identification Number and Certification</i>) I-9 (<i>Employment Eligibility Verification</i>)	Unemployment Tax	Occupational Taxes
Federal Unemployment Taxes (FUTA)	State Unemployment Insurance	
Social Security and Medicare Taxes	Unemployment Compensation Reports	

38

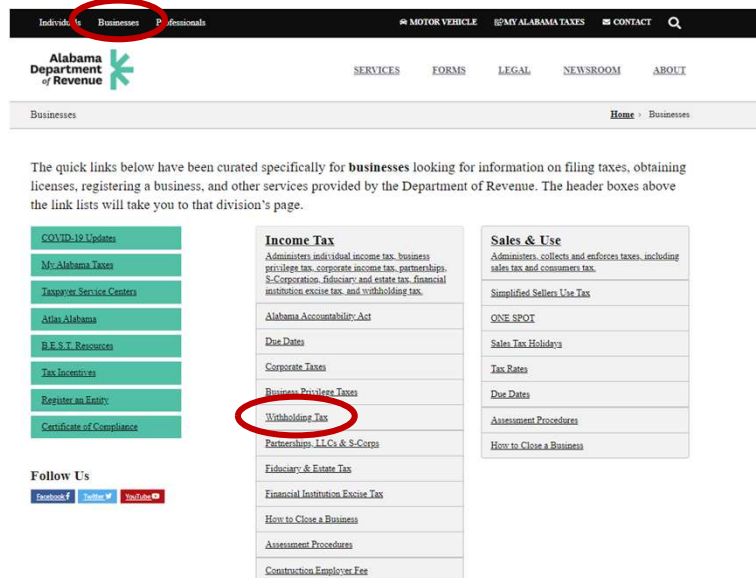
Helpful Links on ALDOR's Website

39

Go to:
Revenue.alabama.gov

Click on “Businesses”

Click on “Withholding Tax”



The screenshot shows the Alabama Department of Revenue website. The top navigation bar includes links for Individuals, **Businesses** (circled in red), and Professionals. Below this, the 'Businesses' section is active, displaying a list of quick links. The 'Withholding Tax' link is circled in red. The page also features a 'Follow Us' section with social media icons and a footer with the Alabama Department of Revenue logo and the 'Be ADOR's B.E.S.T.' slogan.

Individuals **Businesses** Professionals

MOTOR VEHICLE REPLY ALABAMA TAXES CONTACT

Alabama Department of Revenue

SERVICES FORMS LEGAL NEWSROOM ABOUT

Businesses Home » Businesses

The quick links below have been curated specifically for **businesses** looking for information on filing taxes, obtaining licenses, registering a business, and other services provided by the Department of Revenue. The header boxes above the link lists will take you to that division's page.

COVID-19 Updates

My Alabama Taxes

Taxpayer Service Centers

Atlas Alabama

B.E.S.T. Resources

Tax Incentives

Register an Entity

Certificate of Compliance

Income Tax
Administers individual income tax, business privilege tax, corporate income tax, partnerships, S-Corporation, fiduciary and estate tax, financial institution excise tax, and withholding tax.

Alabama Accountability Act

Due Dates

Corporate Taxes

Business Privilege Taxes

Withholding Tax

Partnerships, LLCs & S-Corps

Fiduciary & Estate Tax

Financial Institution Excise Tax

How to Close a Business

Assessment Procedures

Construction Employer Fee

Sales & Use
Administers, collects and enforces taxes, including sales tax and consumers tax.

Simplified Sellers Use Tax

ONE SPOT

Sales Tax Holidays

Tax Rates

Due Dates


Assessment Procedures

How to Close a Business

Follow Us

Facebook Twitter YouTube

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40

[SERVICES](#)
[FORMS](#)
[LEGAL](#)
[NEWSROOM](#)
[ABOUT](#)

Individual & Corporate Tax
Home
Services
Individual & Corporate Tax

INCOME TAX

Go to:
<https://revenue.alabama.gov/individual-corporate/>

- Due Dates
- Tax Laws
- Forms
- Administrative Rules
- FAQ

NEW! Scheduling Appointments Virtually

To schedule an appointment at our main office in Montgomery, Alabama, [click here](#).

My Alabama Taxes

File individual and business tax types online for free.

[Read More](#)

Due Dates

Find due dates for taxes administered by Revenue Tax.

[Read More](#)

Taxpayer Service Centers

Receive local and comprehensive assistance for resolving taxes at one of our user locations.

[Read More](#)

Tax Laws

Research tax laws pertaining to Income Tax through the Alabama State Legislature website.

[Read More](#)

Current Issues

Learn about law changes, new forms, and other relevant issues to taxes administered by Revenue Tax.

[Read More](#)

Assistance for Taxpayers

Find help for state tax preparation as well as business seminar information and volunteer tax assistance resources.

[Read More](#)

Alabama Accountability Act

Read guidelines, find documents, and access forms in accordance with the Alabama Accountability Act.

[Read More](#)

Administrative Rules

Research Alabama tax rules specific to Income Tax.

[Read More](#)

Construction Employer Fee

Get information on who is required to pay this fee and how to file and pay.

[Read More](#)

Assessment Procedures

Information on assessment requirements, processes, and procedures.

[Read More](#)

Forms

Access forms specific to Income Tax.

[Read More](#)

FAQ

Find the answers to your questions about Income Tax.

[Read More](#)

ALABAMA
DEPARTMENT OF
REVENUE

41

Individuals
Businesses
Professionals

MOTOR VEHICLE
MY ALABAMA TAXES
CONTACT

[SERVICES](#)
[FORMS](#)
[LEGAL](#)
[NEWSROOM](#)
[ABOUT](#)

Forms
Home
Forms

Access forms, form instructions, and worksheets for each tax division below. The list is currently sorted first by division and then by category. You may **search** for a specific form by typing in the search bar, or **sort** the list by clicking on any of the column headers. You may **filter** by division, category, and year using the dropdown menus at the bottom of the forms table.

All forms will download as a PDF. Please refer to the [list of mailing addresses](#) for the appropriate forms. For income tax form orders, please [use this contact form](#).

Show 10 entries Search: A4

Number	Title	Division	Category	Year
A4-MS	Nonresident Military Spouse Withholding Exemption Certificate	Income Tax	Withholding	2019
Form A4	Certificado para todo Empleado de Exención de Retención de Ingresos para Pago de Impuestos	Income Tax	Withholding	2016
A4	Employee's Withholding Exemption Certificate (English)	Income Tax	Withholding	2014
Form IT-F44	Petition for Review of Preliminary Assessment	Income Tax	General	2005

Showing 1 to 4 of 4 entries (filtered from 1,463 total entries)

Previous 1 Next

ALABAMA
DEPARTMENT OF
REVENUE

42

Taxpayer Service Centers

The Alabama Department of Revenue has nine Taxpayer Service Centers located throughout the State to assist you. Contact information for the Service Centers can be found at:

<https://revenue.alabama.gov/taxpayer-service-centers/>

Alabama Department of Revenue Contact Numbers

- (334) 242-1170 Option #1 Individual Income Tax
- (334) 242-1170 Option #7 Withholding Tax
- (334) 242-1170 Option #6 Corporate Tax
- (334) 242-1170 Option #8 Business Privilege Tax
- (334) 242-1170 Option #6 Pass-Through Entity
- (334) 242-1189 Certificate of Compliance
- (334) 242-1584 Business Registration
- (334) 242-1490 Sales and Use Tax

Thank you for being ADOR's B.E.S.T.!

B.E.S.T. Webinar presentations can be found at
<https://revenue.alabama.gov/taxpayer-advocacy/b-e-s-t-seminars/b-e-s-t-webinar-schedule/>

Also available are B.E.S.T. Learning Modules at
<https://revenue.alabama.gov/taxpayer-advocacy/b-e-s-t-seminars/watch-modules-online/>

Questions?

Please use the Q&A feature in Webex to ask the presenter questions.